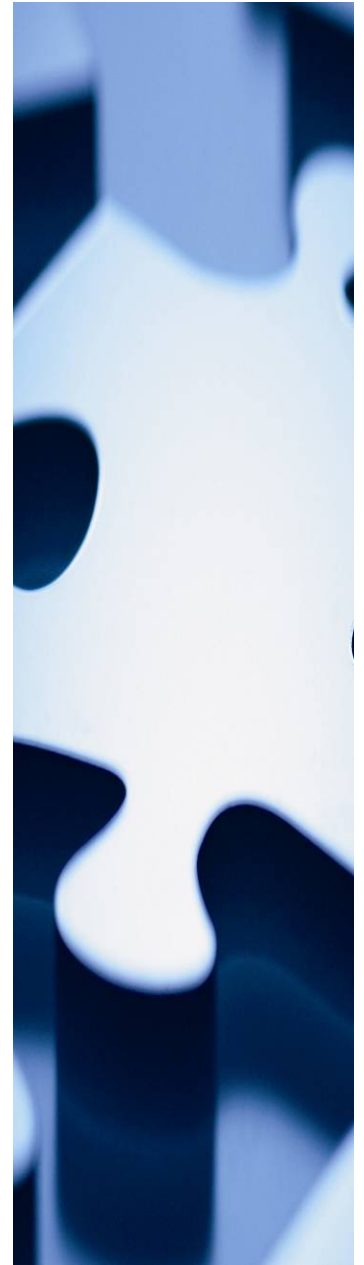

State Partners and Manufacturing Supply Chains

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Session Agenda

	Agenda Topic Addressed	Speaker
11:00 – 11:10am [10 minutes]	Introduce session and speakers Describe proposed “take-aways” from the session <ul style="list-style-type: none">• Manufacturing and Supply Chains• State strategies to promote more manufacturing and supply chains	Aimee D.
11:10 – 11:30am [20 minutes]	Oklahoma example – state supplier needs analysis	Amy Polonchek
11:30 – 11:50am [20 minutes]	Minnesota example – state supply chain study	Bob Isaacson
11:50 – 12:00pm [10 minutes]	Quick wrap-up highlighting session Questions and Answers	Aimee D. All speakers



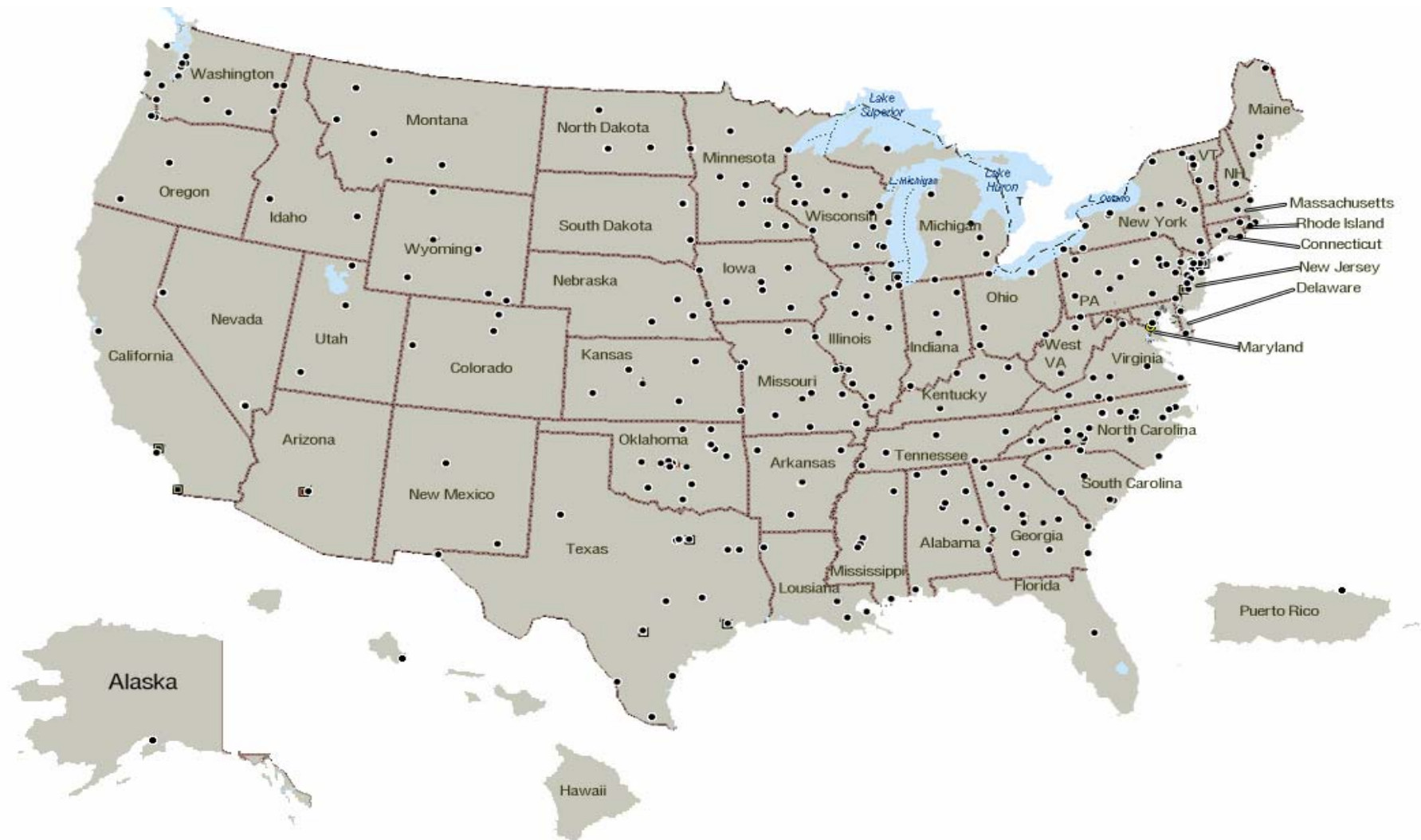
MEP Mission Statement

MEP is a nationwide network of resources transforming manufacturers to compete globally, supporting greater supply chain integration, and providing access to technology for improved productivity.

www.mep.nist.gov

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MEP Office Locations



MANUFACTURING EXTENSION PARTNERSHIP

NIST MEP: Local Brands United

 The Alliance

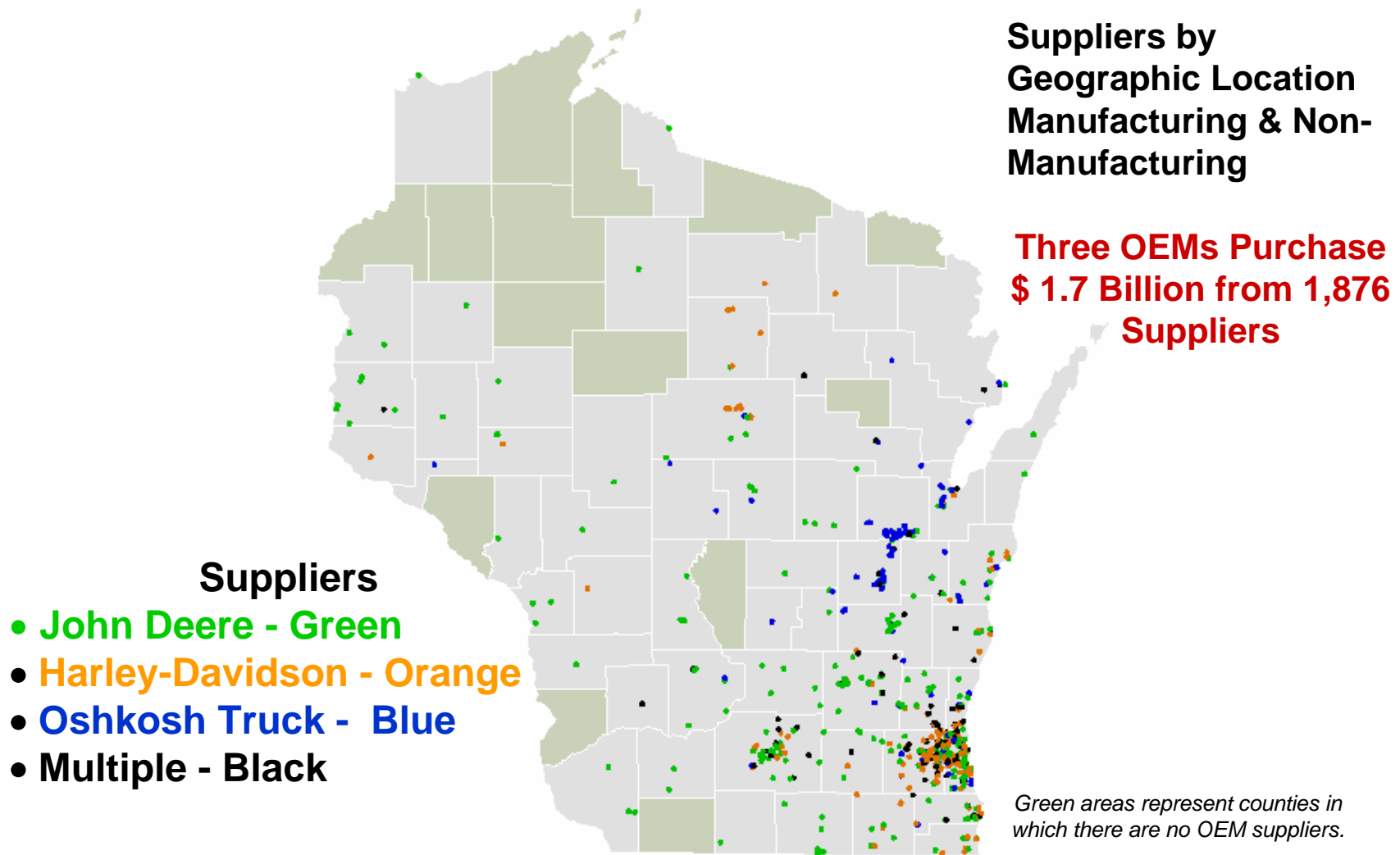


Improving the Manufacturing Supply Base

■ MEP's Approach

- Bottom Up – What we do already
 - Work One-on-One with Many Suppliers
 - Developing Strategy
 - Positioning, Integrating, and Diversifying
 - Improve Efficiency, Effectiveness, Productivity, and reducing Costs
- Top Down – working more closely with OEMS/Primes
 - Understanding the Needs of the Industry and the OEMs
 - Market space (Domestic & Global Drivers)
 - Integration Requirements (Regulations, Interoperability, etc...)
 - Share Best Practices ... to those who will Listen
 - Technology Roadmaps (OEMS, Trades, Labs, Clients etc...)

Impact of Supply Chain on a State Economy



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Honda of America Mfg., Inc. in Ohio



Anna Engine Plant



East Liberty Auto Plant

Marysville Auto Plant

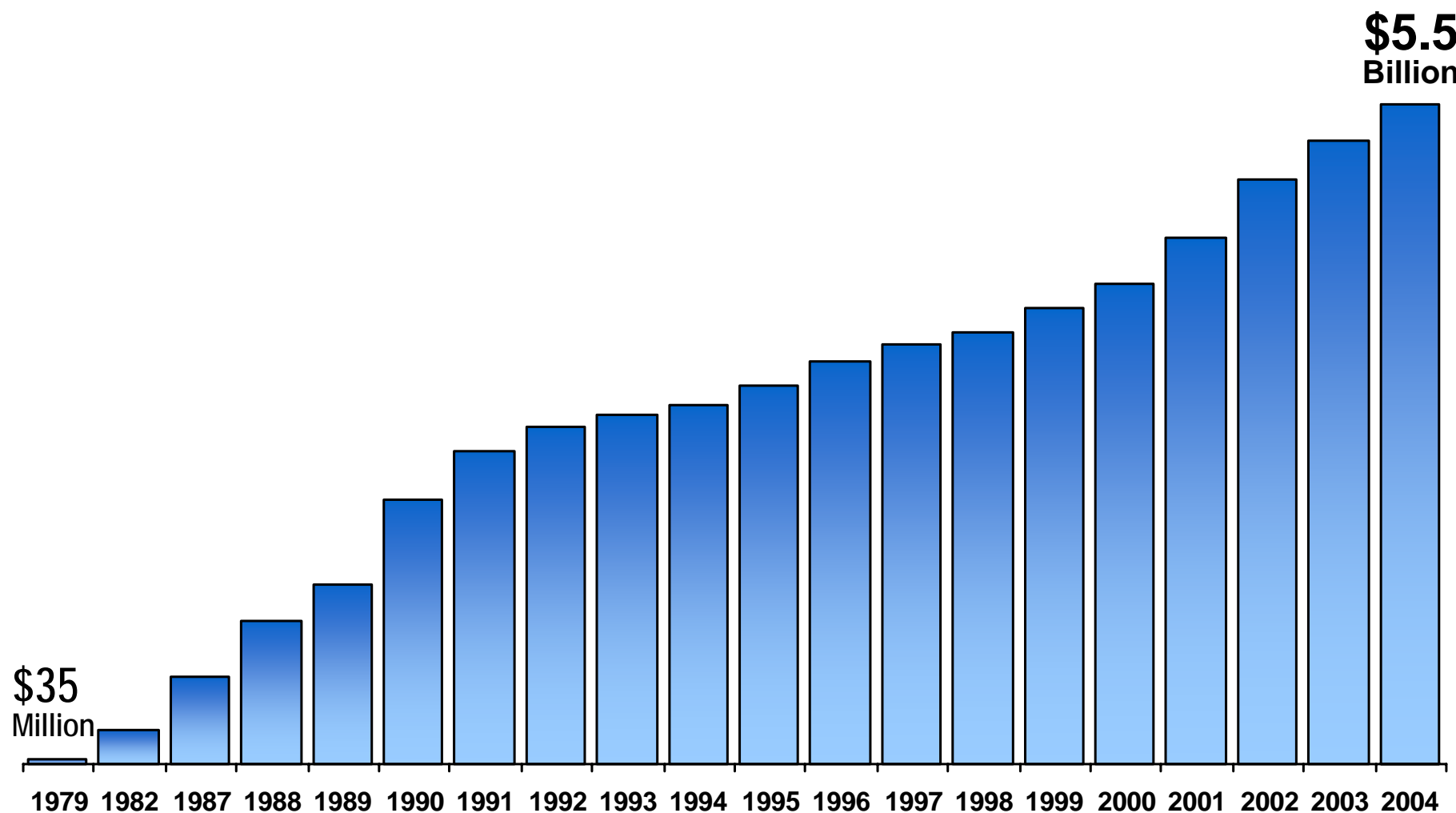


**Marysville
Motorcycle Plant**



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Investment in Ohio Manufacturing



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Honda North American Purchasing

<i>Region</i>	<i>Number of Suppliers</i>	<i>2004 Purchases*</i>
Ohio	160	\$6.8 billion
North America	600	\$13.6 billion

*OEM purchases by Honda in North America

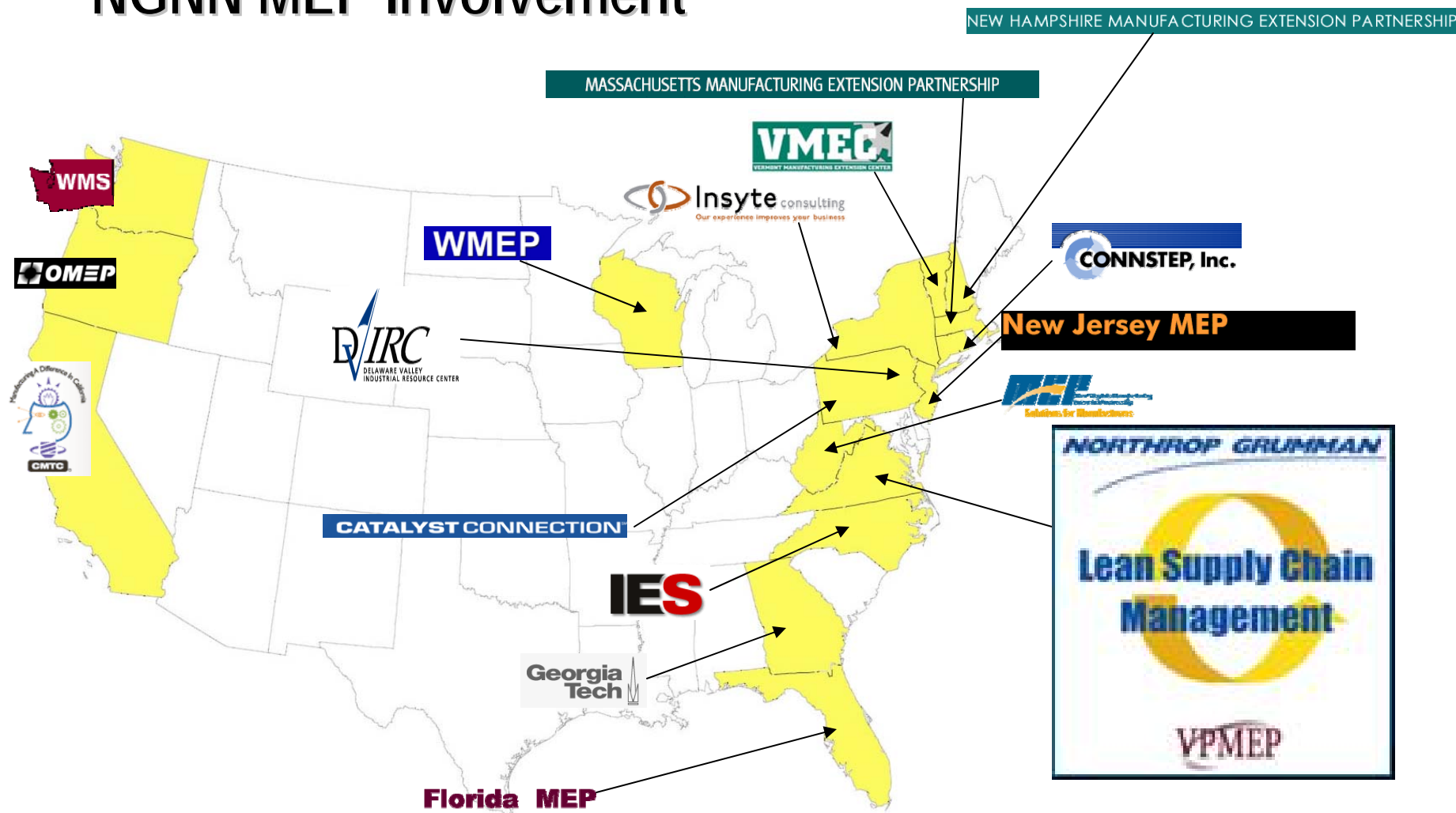
Impact of Supply Chain on the Nation's Economy

- Northrop Grumman Newport News
 - Design/Build aircraft carriers
 - Primary customer is NAVSEA
 - Largest private shipbuilder in United States (19,000 employees)

- Supplier Lean Development Program
 - Structured approach to improve Northrop Grumman & Supplier capability and performance
 - Multi-phased approach:
 1. Assessment of Supplier's Lean knowledge and capabilities and VSM
 2. Generate recommendations for improvement activities
 3. Rapid Improvement Events (Phase 1)

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NGNN MEP Involvement



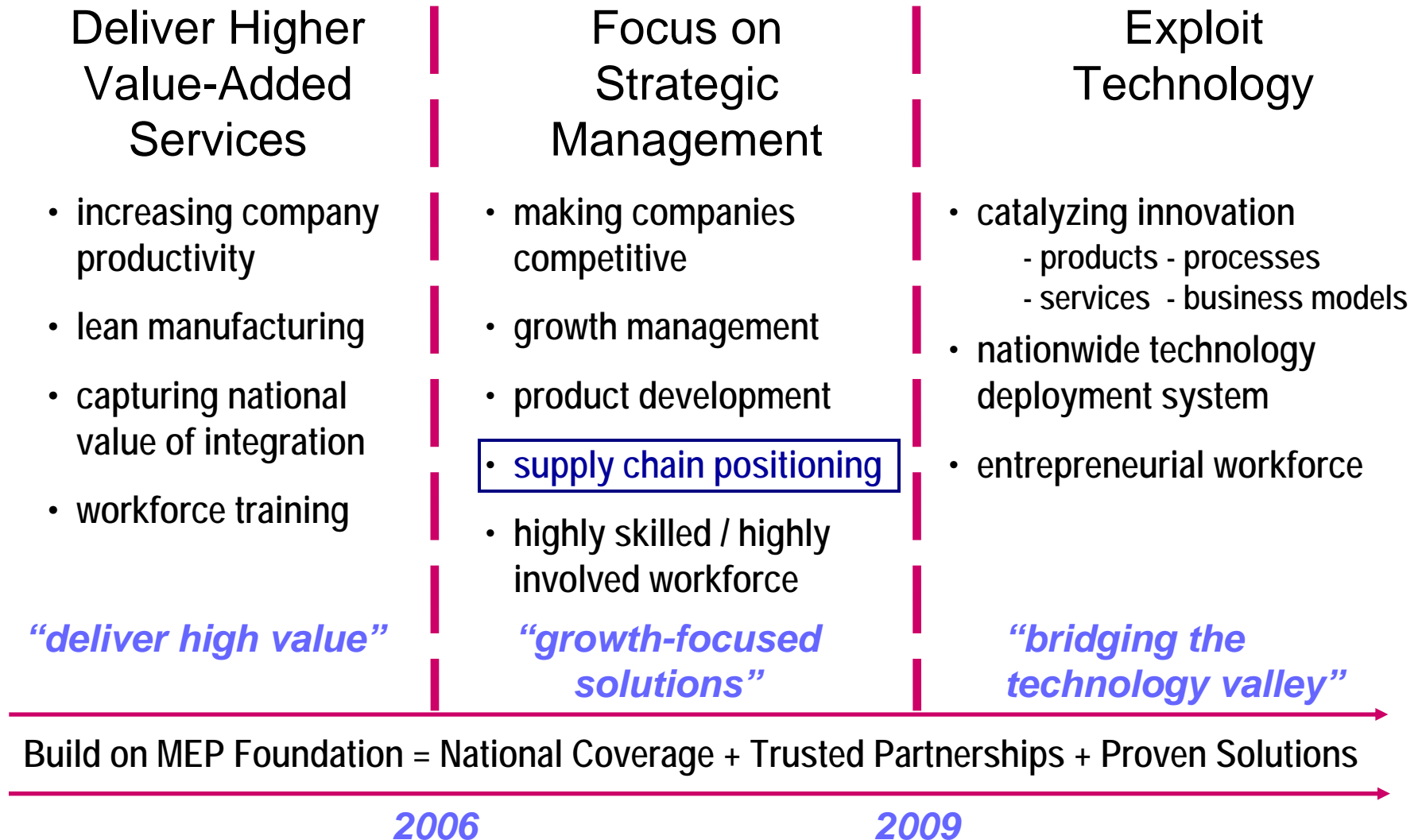
NGNN Results

- 22 Companies reported (2005) the following impact to NIST:
 - Sales Impact: \$37,500,000
 - Cost Savings: \$68,322,000
 - Total Investment Impacts: \$12,964,080
 - Jobs Created and Retained: 425

Supply Chains

- **US Based Small and Medium-size manufacturers**
 - ~ 85% are part of a supply chain
 - Increasingly difficult to remain piece-price competitive with overseas competitors
- **OEM's incur costs when changing suppliers – whether it is overseas or cross county**
 - Costs and risks of change can be significant
 - Financially prudent to improve the competitiveness of incumbent suppliers prior to making a change
- **Recent emphasis by OEMs to suppliers on both build-to-demand order fulfillment and finished goods asset reduction are just starting to be understood.**
 - Supplier capable of meeting OEM's expectations have a built-in advantage over other competitors, regardless of where on the globe they are located

MEP Program Evolution – The Next Generation



Economic Development Drivers



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Economic Competitiveness

Next...

Examples in Oklahoma and Minnesota